

# **CITY OF GREENSBORO**

## **TARGETED LOAN POOL PROGRAM**

### **FACT SHEET**

The City's Targeted Loan Pool Program is available to businesses located or desiring to locate in Greensboro's State Development Zone area (a copy of the zone map is attached). The purpose of the loan program is to retain or create new permanent jobs that would be made available to low or moderate-income persons for at least one year. Loans can be made available to existing businesses for expansion or for start-up of new businesses. Eligible uses of funds are: buying property for a project which creates or retains jobs; purchasing, constructing and rehabilitating commercial buildings and structures; purchasing equipment and fixtures which are a part of the real estate; improving energy conservation.

#### **Loan Program Guidelines**

**Application and Fee:** Applicants should submit the Targeted Loan Pool Program application form along with these required documents (listed below as the Loan Application Checklist). There is a nonrefundable \$100 fee made payable to the City of Greensboro that is due with the application package along with the required documents.

#### **Loan Application Checklist:**

- (a) Current signed personal tax returns for the last 3 years
- (b) Current signed business tax returns for the last 3 years
- (c) Current personal financial statement
- (d) Current business financial statement
- (e) Job Creation statement
- (f) Affidavit stating purpose of the loan in detail
- (g) Sealed plans from structural engineer (if requested)
- (h) Business Plan (if new business)
- (i) Copy of sales contract (if purchasing property)
- (j) Cost estimates from professional contractors for renovations
- (k) Lease terms, if applicable
- (l) Information on existing mortgages or liens, if applicable

#### **Loan Terms**

- (a) Maximum loan amount: \$200,000
- (b) Minimum loan amount: \$25,000
- (c) For each \$50,000 borrowed a permanent job must be created or retained
- (d) Loan amortization can be up to 15 years
- (e) The Loan Committee will review the financial statements and other required documentation to determine applicant eligibility. Normal processing time for Loan Committee review of a completed application is 14 working days
- (f) If funds are for renovations, borrower has an interest-only payment for 6 to 12 months to complete work before making a complete loan payment
- (g) BB&T is the servicing bank for the loan program
- (h) Interest rate: The City's loan (40% of the loan amount) is at 5%. The bank loan (60% of the loan amount) is at prime.

**Program applications are available at the following locations:**

- ❑ City of Greensboro, Housing & Community Development Department, 300 West Washington Street, Suite 315, 373-2349
- ❑ Greensboro Chamber of Commerce, 324 North Elm Street, 275-8675
- ❑ Central Library, 219 North Church Street, 373-2471
- ❑ Nussbaum Center for Entrepreneurship, 2007 Yanceyville Street, Suite 101, 379-5001
- ❑ East Market Street Development Corporation, 1106 East Market Street, 275-1101
- ❑ Self-Help Credit Union, 122 North Elm Street, Suite 810, 378-1840

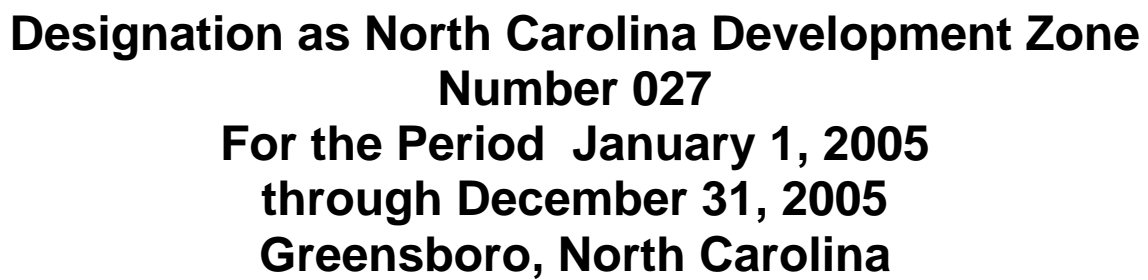
**Submit loan application packages to:**

Rhonda Enoch  
Department of Housing & Community Development  
300 West Washington Street, Suite 315  
Greensboro, N. C. 27401

Or by mail to: P. O. Box 3136, Greensboro, N.C. 27402-3136

**Contact with questions:**

- John Shoffner, City Manager's Office, 373-2293
- Rhonda Enoch, Department of Housing & Community Development, 373-4147
- Ben Brown, City of Greensboro, Assistant City Manager, 373-2002



# Targeted Loan Pool Application

## Program Objective

To create and/or retain permanent jobs for low and moderate income persons. Each business agrees to make at least 51 percent of total jobs available to low and moderate-income persons. One job must be created or retained for each \$50,000 loaned.

## City of Greensboro Targeted Loan Pool Program

### Loan Application Checklist

Please provide the following when you turn in your completed application:

- |                                                                                |                                                                                                                           |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <input type="radio"/> Current signed personal tax returns for last 3 years     | <input type="radio"/> Sealed plans from structural engineer (if requested)                                                |
| <input type="radio"/> Current signed business tax returns for the last 3 years | <input type="radio"/> Business Plan (if new business)                                                                     |
| <input type="radio"/> Current personal financial statement                     | <input type="radio"/> Copy of sales contract (if purchasing property)                                                     |
| <input type="radio"/> Current business financial statement                     | <input type="radio"/> Cost estimates from professional contractors for renovations                                        |
| <input type="radio"/> Job Creation Form                                        | <input type="radio"/> Nonrefundable \$100 application fee made payable to City of Greensboro (Targeted Loan Pool Program) |
| <input type="radio"/> Affidavit stating purpose of loan in detail              |                                                                                                                           |

### Loan Request

Amount of loan requested:

What type of loan do you need and what will you be using the loan for?

What collateral do you have available to secure this loan?

Will additional financing be required from another source? If yes, explain.

### Business Information

Legal Name of Business		DBA Name (if different from Legal Name)	
Street Address	City/County	State	Zip
Mailing Address (if different from Street Address)	City/County	State	Zip
Annual Sales	Federal Tax ID Number	Business Phone Number	
Date Established	Current Owner Since	Number of Employees	
Type of Organization:		Industry Category:	
<input type="radio"/> Sole Proprietorship	<input type="radio"/> C Corporation	<input type="radio"/> Manufacturing	<input type="radio"/> Retail
<input type="radio"/> General Partnership	<input type="radio"/> Limited Partnership	<input type="radio"/> Services	<input type="radio"/> Wholesale
<input type="radio"/> Limited Liability Company	<input type="radio"/> Limited Liability Partnership	<input type="radio"/> Other _____	
Briefly describe the product sold or service rendered:			

Who are your two largest customers?

Approximate percentage of business you do with each of these customers:

### Business Financial Information

What is your primary bank?				
Who is your accounting firm?		Who is your attorney?		
Approximate balance in your checking account at your primary bank?				
Approximate balance in your other checking account(s)?		Approximate total balance in your savings account(s)?		
Please list all business debt and corresponding payment information:				
Creditor:	Account Balance:	Payment Amount and Frequency:	Interest Rate:	Maturity and Collateral:
Does the business or any principal/owner owe any taxes from prior years?.....				
Is the business or any principal/owner an endorser, guarantor or co-maker for obligation(s) not listed above?.....				
Is the business or any principal/owner a party to any threatened or pending claim or lawsuit?.....				
Are there any delinquent FICA or sales taxes?.....				
Has the business or any principal/owner ever declared bankruptcy?.....				

If you have answered yes to any of these questions, please attach a separate sheet to the application providing details.

Principal/Owner/Guarantor Information

Name(s): <input type="radio"/> Mr. <input type="radio"/> Ms. <input type="radio"/> Joint		Social Security Number(s)
Home Address		
% of Ownership in Business	Gross Income *	
Monthly Housing Payment	Personal Net Worth Excluding Business Value	
Name(s): <input type="radio"/> Mr. <input type="radio"/> Ms. <input type="radio"/> Joint		Social Security Number(s)
Home Address		
% of Ownership in Business	Gross Income*	
Monthly Housing Payment	Personal Net Worth Excluding Business Value	

Certification and Authorization

The signer(s) certifies that he/she is authorized to execute the application for the business named above, and that the information in this application and any other documents submitted in connection with the application are true, correct and complete. The signer(s) authorizes the loan committee to verify the information and to obtain personal, customer and/or business credit reports. The signer(s) further agree to provide additional information upon request and to notify the Loan Committee via the City of Greensboro promptly of any material change in the information provided in this application.

Applicant(s) Signature: _____	Signature: _____
Date: _____	Date: _____

## **CITY OF GREENSBORO TARGETED LOAN POOL PROGRAM FACT SHEET**

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### **Loan Program Guidelines**

Application and Fee: Applicants should submit the Targeted Loan Pool Program application form along with the below set out required documents (listed as the Loan Application Checklist). There is a nonrefundable \$100 fee made payable to the City of Greensboro that is due with the application package along with these documents:

- (m) Current signed personal tax returns for the last 3 years
- (n) Current signed business tax returns for the last 3 years
- (o) Current personal financial statement
- (p) Current business financial statement
- (q) Job Creation statement (attached)
- (r) Affidavit stating purpose of the loan in detail
- (s) Sealed plans from structural engineer (if requested)
- (t) Business Plan (if new business)
- (u) Copy of sales contract (if purchasing property)
- (v) Cost estimates from professional contractors for renovations
- (w) Lease terms, if applicable
- (x) Information on existing mortgages or liens, if applicable

**CITY OF GREENSBORO  
TARGETED LOAN POOL PROGRAM  
JOB CREATION INFORMATION**

**I. Primary Objective**

The primary objective of this program is to fund activities designed to create and retain permanent jobs in the State Development Zone area of Greensboro. **At least 51% of the jobs created or retained must be made available to low and moderate-income persons.** Federal statutes require that these funds must be used to meet at least one of two national objectives. The first national objective is the primary objective of this loan program, to create or retain permanent jobs for low/mod persons and the second is to aid in the elimination of slums and blighted areas. The Borrower agrees to use the loan to create or retain permanent jobs of which the number, titles, and estimated salaries are listed below. Job creation or retention activities are designed to create or retain permanent jobs for the employment of low and moderate-income persons. **At a minimum, one full-time job must be created or retained for each \$50,000 loaned by the Targeted Loan Pool Program.** A job must be maintained for one year to be considered permanent. All jobs created or retained must be made available to low and moderate-income persons within two years from the date of the contract. Please list below the jobs that you propose to create or retain as a condition of this loan agreement.

Will the job(s) be created or retained? \_\_\_\_\_

Number of Jobs	Job Title	Estimated Salary

**II. Target Population**

This program is intended to benefit low and moderate-income persons through the creation of permanent jobs. Recipients must be residents of the City of Greensboro.

**III. Records to be Maintained**

For job creation, the following documentation must be kept for monitoring purposes:

- A listing by job title of the permanent jobs to be created by the business; and
- A listing by job title of the permanent jobs filled, and which jobs were available to low and moderate-income persons.
- Documentation of hiring actions or efforts used to target low to moderate-income persons to determine that they were given “first consideration” for the job(s).

For job retention, the following documentation must be kept for monitoring purposes:

- A listing by job title or permanent job retained, indicating which of those jobs are part-time and (where it is known) which are held by low and moderate income; and
- For each retained job claimed to be held by a low and moderate-income person, information on the size and annual income of the person’s family.
- Explanation as to how receiving this loan prevented a job or jobs from being terminated.

**It is required that the business report the TOTAL jobs created or retained and those that were made available to low and moderate income persons.**

**This documentation is necessary for monitoring purposes. A “Job Benefit Verification Form” is attached for you to use during your creation/retention process. Make copies of the form for additional applicants. Keep these forms and the other information listed above on file.**

#### IV. Monitoring

The Borrower will receive an annual monitoring visit from a representative of the City of Greensboro to confirm the program objective of job creation and/or retention has been met. **The City will verify that all federal regulations are met with the use of the CDBG funds used to fund this program.** There will be a review of all records that are to be maintained, which are listed above. A review of the payroll records will be done also on any jobs created or retained. The Borrower will be notified before each visit in order to prepare and have all employees present whose jobs were created and/or retained.

#### V. Action of the City of Greensboro in the Event of Breach of Contract

In the event that a review of Borrower’s performance shows nonconformance with any of the terms or conditions contained herein, Borrower shall be in breach of this agreement and the City of Greensboro may take corrective action as it deems necessary, including, but not limited to, withholding or reduction of any funds not yet paid to Borrower. In addition, the City of Greensboro shall be entitled to repayment of any funds previously paid to Borrower in accordance with the provisions of this agreement.

#### VI. Job Creation or Retention Activities

Funds loaned to the Borrower are to be used for expenses related to job creation or retention activities. Job creation or retention activities are designed to create or retain permanent jobs, computed on a full-time equivalent basis, involve the employment of low and moderate-income persons.

#### VII. Low to Moderate Income Guidelines

Low and moderate income persons means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Currently the Section 8 low-income limit is capped not to exceed 80% of the median family income for the Greensboro metropolitan statistical area, as listed in the table below. HUD issues new income limits on an annual basis. Set out below are the income limits for 2003 are set out below.

Family Size	1 member	2 member	3 member	4 member	5 member	6 member	7 member	8 member
80% of MFI	\$31,400	\$35,900	\$40,400	\$44,900	\$48,450	\$52,050	\$55,650	\$59,250

#### VIII. Definition of Income

For the purpose of determining whether a family or household is low to moderate income, one of the three following definitions may be used. The definition checked below has been selected for this particular program:

- ☐ 1. “Annual income” as defined under Section 8 Housing Assistance Program; or
- ☒ 2. Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:
- A. Wages, salaries, tips, commissions, etc.;
  - B. Self-employment income from own nonfarm business, including proprietorships and partnerships;
  - C. Farm self-employment income;
  - D. Interest, dividends, net rental income, or income from estates or trusts;
  - E. Social Security or railroad retirement;
  - F. Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
  - G. Retirement, survivor, or disability pensions; and
  - H. Any other sources of income received regularly, including Veterans (VA) payments, unemployment compensation, and alimony; or
- ☐ 3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.



## Job Benefit Verification Form

The Targeted Loan Pool Program is funded by the City of Greensboro with Community Development Block Grant (CDBG) funds and by nine local participating banks. The program objective is to benefit low and moderate-income persons by job creation or retention. At least 51% of the jobs created or retained must be made available to low/moderate income persons. As part of program requirements, the business must report both the number of jobs created or retained, and the number of jobs created or retained for persons of low to moderate income households. This information is part of the interview process and will not be considered in determining which applicants will be hired. This information is to satisfy the United States Department of Housing and Urban Development's requirement for documentation of the beneficiaries of business financial assistance. The interviewer can verify applicant's household income by viewing current pay stubs or tax returns, if available.

Applicants Name \_\_\_\_\_ SS# \_\_\_\_\_

Address \_\_\_\_\_ Job Created or Retained \_\_\_\_\_

Date of Interview \_\_\_\_\_ Name of Interviewer \_\_\_\_\_

### Section 8 Income Guidelines

Family Size	1 member	2 member	3 member	4 member	5 member	6 member	7 member	8 member
Income Limits	\$31,400	\$35,900	\$40,400	\$44,900	\$48,450	\$52,050	\$55,650	\$59,250
Check Box								

### Instructions

1. Determine the size of the applicant's household.
2. Read down the line on the table to find the income applicable for the appropriate household size.
3. Put a (X) in the appropriate box that applies, if the applicant's total household income is at or below income guidelines for that household size.
4. If not at or below the corresponding Section 8 Income for the applicant's total household size, leave blank.
5. The employment candidate must sign the form.

Note: The job applicant does not have to give their exact income, they may simply certify that their household income does not exceed the income limit standard by checking the appropriate box and by signing below.

Signature \_\_\_\_\_